



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

NOTICE OF FILING AND REQUEST FOR COMMENTS

D.T.E. 06-78

September 28, 2006

Investigation by the Department of Telecommunications and Energy on its own motion as to the propriety of the rates and charges set forth in the following tariffs: Boston Gas Company, M.D.T.E. Nos. 101.3 through 112.3, filed on September 15, 2006, to become effective November 1, 2006.

On September 15, 2006, Boston Gas Company ("Company") submitted its third annual rate adjustment filing pursuant to the performance-based ratemaking plan ("PBR") approved by the Department of Telecommunications and Energy ("Department") in Boston Gas Company, D.T.E. 03-40 (2003). The Company proposes an increase in revenues of \$8,674,475, which amounts to a base revenue increase of 2.72 percent. The Company also proposes to collect gas-related bad debt expenses in the amount of \$17,126,226 for fiscal year 2005 through the 2006/2007 peak cost of gas adjustment factor as an exogenous cost adjustment. In addition, the Company proposes to collect \$1,266,736 for costs associated with raising gate boxes in compliance with G.L. c. 164, § 116B as an exogenous cost through the local distribution adjustment factor.

The Company has requested that the proposed rates take effect on November 1, 2006. If the Department approves the Company's proposal, the proposed rates will result in:

- an increase from last winter of \$2.28 per month for residential gas non-heating customers using 20 therms per month in the winter season; and
- an increase from last winter of \$14.57 per month for residential gas heating customers using 150 therms per month in the winter season.

Bill impacts for commercial and industrial customers will vary. For specific impacts, please contact the Company as indicated below.

Any person interested in commenting on this matter may submit written comments no later than the close of business (5:00 p.m.) on **Friday, October 13, 2006**. One original and eight (8) copies of all written documents must be filed with Mary L. Cottrell, Secretary,

Department of Telecommunications and Energy, One South Station, 2nd Floor, Boston, Massachusetts 02110. In addition, one (1) copy of all written documents must be sent to counsel for the Company, Thomas P. O'Neill, 52 Second Avenue, Waltham, Massachusetts 02451.

All written documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dte.efiling@state.ma.us and Shaela.Collins@state.ma.us or (2) on a 3.5" disk or CD-ROM, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 06-78), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document (e.g., comments). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be written in either Corel Word Perfect (naming the document with a ".wpd" suffix), in Microsoft Word (naming the document with a ".doc" suffix), or as an Adobe PDF file (naming the document with a ".pdf" suffix). Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, <http://www.mass.gov/dte>.

Copies of the filing are available for inspection during regular business hours at the Company's offices, 52 Second Avenue, Waltham, Massachusetts 02451, and the offices of the Department, One South Station - 2nd Floor, Boston, Massachusetts 02110. The petition is also available on the Department's Website, <http://www.mass.gov/dte>. For further information regarding the filing, please contact counsel for the Company, Thomas P. O'Neill at (781) 466-5136. For further information regarding this notice, please contact Shaela Collins, Hearing Officer, Department of Telecommunications and Energy, at (617)305-3500.